

104TH CONGRESS
1ST SESSION

H. R. 2171

To amend the Internal Revenue Code of 1986 to provide a tax credit for certain political contributions and to eliminate the Presidential Campaign Fund.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1995

Mr. PETRI introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit for certain political contributions and to eliminate the Presidential Campaign Fund.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TAX CREDIT FOR CERTAIN POLITICAL CON-**
4 **TRIBUTIONS.**

5 (a) IN GENERAL.—Subpart A of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 22 the following new
2 section:

3 **“SEC. 23. CREDIT FOR POLITICAL CONTRIBUTIONS.**

4 “(a) IN GENERAL.—In the case of an individual,
5 there shall be allowed as a credit against the tax imposed
6 by this chapter for the taxable year an amount equal to
7 one-half of all political contributions, and all newsletter
8 fund contributions, paid by the taxpayer during the tax-
9 able year.

10 “(b) LIMITATIONS.—

11 “(1) MAXIMUM CREDIT.—The credit allowed by
12 subsection (a) shall not exceed \$100 (\$200 in the
13 case of a joint return).

14 “(2) VERIFICATION.—The credit allowed by
15 subsection (a) shall be allowed, with respect to any
16 political contribution or newsletter fund contribution,
17 only if such contribution is verified in such manner
18 as the Secretary shall prescribe by regulation.

19 “(c) DEFINITIONS.—For purposes of this section—

20 “(1) CANDIDATE.—The term ‘candidate’
21 means, with respect to any Federal, State, or local
22 elective public office, an individual who—

23 “(A) publicly announces before the close of
24 the calendar year following the calendar year in
25 which the political contribution is made that the

1 individual is a candidate for nomination or elec-
2 tion to such office; and

3 “(B) meets the qualifications prescribed by
4 law to hold such office.

5 “(2) NATIONAL POLITICAL PARTY.—The term
6 ‘national political party’ means—

7 “(A) in the case of political contributions
8 made during a taxable year of the taxpayer in
9 which the electors of President and Vice Presi-
10 dent are chosen, a political party presenting
11 candidates or electors for such offices on the of-
12 ficial election ballot of ten or more States; or

13 “(B) in the case of political contributions
14 made during any other taxable year of the tax-
15 payer, a political party which met the qualifica-
16 tions described in subparagraph (A) in the last
17 preceding election of a President and Vice
18 President.

19 “(3) NEWSLETTER FUND.—The term ‘news-
20 letter fund’ means a fund described in section
21 527(g)(1).

22 “(4) POLITICAL CONTRIBUTION.—The term
23 ‘political contribution’ means a contribution or gift
24 of money, or the fair market value of a contribution
25 or gift of property, to—

1 “(A) an individual who is a candidate for
2 nomination or election to any Federal, State, or
3 local elective public office in any primary, gen-
4 eral, or special election, for use by such individ-
5 ual to further the candidacy of the individual
6 for nomination or election to such office;

7 “(B) any committee, association, or organi-
8 zation (whether or not incorporated) organized
9 and operated exclusively for the purposes of in-
10 fluencing, or attempting to influence, the nomi-
11 nation or election of one or more individuals
12 who are candidates for nomination or election
13 to any Federal, State, or local elective public of-
14 fice, for use by such committee, association, or
15 organization to further the candidacy of such
16 individual or individuals for nomination or elec-
17 tion to such office;

18 “(C) the national committee of a national
19 political party;

20 “(D) the State committee of a national po-
21 litical party as designated by the national com-
22 mittee of such party; or

23 “(E) a local committee of a national politi-
24 cal party as designated by the State committee

1 of such party designated under subparagraph
2 (D).

3 “(5) STATE AND LOCAL.—The term ‘State’
4 means the various States and the District of Colum-
5 bia; and the term ‘local’ means a political subdivi-
6 sion or part thereof, or two or more political subdivi-
7 sions or parts thereof, of a State.”.

8 “(d) CROSS REFERENCES.—

“**For transfer of appreciated property to a politi-
cal organization, see section 84.**

“**For certain indirect contributions to political
parties, see section 276.**”.

9 (b) CONFORMING AMENDMENT.—The table of sec-
10 tions for subpart A of part IV of subchapter A of chapter
11 1 of such Code (relating to nonrefundable personal cred-
12 its) is amended by inserting after the item relating to sec-
13 tion 22 the following new item:

“Sec. 23. Credit for political contributions.”

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31 of the calendar year in which this Act is
17 enacted.

18 **SEC. 2. PRESIDENTIAL CAMPAIGN FUND.**

19 (a) REPEAL OF PROVISIONS CONCERNING PRESI-
20 DENTIAL CAMPAIGN FUND.—The following provisions of
21 such Code are hereby repealed:

1 (1) Part VIII of subchapter A of chapter 61 of
2 subtitle F of such Code (relating to designation of
3 income tax payments to Presidential Election Cam-
4 paign Fund).

5 (2) Subtitle H (relating to financing of Presi-
6 dential election campaigns).

7 (b) CONFORMING AMENDMENTS.—

8 (1) TABLE OF PARTS.—The table of parts of
9 subchapter A of chapter 61 of subtitle F of such
10 Code is amended by striking the item relating to
11 part VIII.

12 (2) TABLE OF SUBTITLES.—The table of sub-
13 titles of such Code is amended by striking the item
14 relating to subtitle H.

15 (c) EFFECTIVE DATES.—

16 (1) DESIGNATION OF INCOME TAX PAYMENTS
17 TO FUND.—The amendment made by subsection
18 (a)(1) applies to taxable years beginning after De-
19 cember 31, 1996.

20 (2) FINANCING OF PRESIDENTIAL ELECTION
21 CAMPAIGNS.—The amendment made by subsection
22 (a)(2) shall take effect on the date that is 2 years
23 after the date of the enactment of this Act, except
24 that no payment may be made from the Presidential
25 Election Campaign Fund or the Presidential Pri-

1 mary Matching Payment Account with respect to
2 any Presidential election occurring more than 2
3 years after the date of the enactment of this Act.

4 (d) AMOUNTS REMAINING IN FUNDS.—The Sec-
5 retary of the Treasury shall deposit into the Treasury of
6 the United States as miscellaneous receipts any amounts
7 that remain, on the date that is 2 years after the date
8 of the enactment of this Act, in the Presidential Election
9 Campaign Fund or the Presidential Primary Matching
10 Payment Account.

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